GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:722
ANSWERED ON:28.04.2016
New Discom Scheme
Meena Shri Arjunlal

Will the Minister of POWER be pleased to state:

(a) whether the Government has launched a new discom plan/scheme;

(b) if so, the objectives thereof;

(c) the assistance to be provided under the said scheme to the States;

(d) whether the Government has held any consultations with the States for implementing the said scheme;

(e) if so, the details and the outcome thereof; and

(f) the States that have signed an MoU in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL AND NEW & RENEWABLE ENERGY

(SHRI PIYUSH GOYAL)

(a) & (b) : The Government has launched a Scheme Ujwal DISCOM Assurance Yojana (UDAY) on 20-11-2015 for the operational and financial turnaround of State owned Power Distribution Companies (DISCOMs). The Scheme aims to reduce interest burden, cost of power and power losses in Distribution sector, besides improving operational efficiency of DISCOMs.
(c) : The Scheme incentivizes the participating States by exempting State takeover of DISCOM debts from Fiscal Responsibility and Budget Management (FRBM) limits for two years; increased supply of domestic coal; coal linkage rationalization; liberally allowing coal swaps from inefficient to efficient plants; allocation of coal linkages to States at notified prices and additional/priority funding in Schemes of MoP and MNRE, if they meet the operational milestones in the Scheme.

(d) to (f) : The Government has held detailed deliberations regularly with the stakeholders, namely State Governments, DISCOMs and financial institutions etc. for development as well as implementation of the scheme. So far, 10 States have already signed the Memorandum of Understanding (MoUs) under UDAY.

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